

## Message Text

UNCLASSIFIED

PAGE 01 JIDDA 05002 181256Z  
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-07 /030 W  
-----099258 181258Z /45

R 180955Z JUL 77  
FM AMEMBASSY JIDDA  
TO USDOC WASHDC  
INFO SECSTATE WASHDC 8967  
AMEMBASSY ATHENS  
AMEMBASSY KUWAIT  
USLO RIYADH  
AMCONSUL DHAHRAN

UNCLAS JIDDA 5002

E.O. 11652: N/A

TAGS: EINV, BTIO, SA

SUBJ: MAJOR SAUDI FIRM SEEKS JOINT VENTURE OR SPONSORSHIP OF  
U.S. MANAGEMENT CONSULTING ENGINEERS

1. MR. PEDRIC REA, (U.S. NATIONAL) DIRECTOR OF THE OLAYAN  
SAUDI HOLDING CO., P.O. BOX 967, RIYADH, TELS: 66644,  
67714, TELEX 67019 OLAYAN SJ (AL KHOBAR) VISITED THE EMBASSY  
TO REQUEST CONTACT WITH U.S. ENGINEERING AND MANAGEMENT  
FIRMS FOR INVOLVEMENT IN PROJECTS VALUED AT OVER \$1 BILLION  
OVER THE NEXT DECADE. MR. REA PREFERSS THAT U.S. FIRMS  
CONTACTED SHOULD NOT HAVE CURRENT SAUDI CONNECTIONS OTHER  
THAN INDEPENDENT WORK WITH THE U.S. CORPS OF ENGINEERS IN  
SAUDI ARABIA. FIRST CLASS FIRMS ONLY ARE DESIRED.

2. THE SCOPE OF ACTIVITIES TO BE COVERED IN A JOINT VENTURE  
UNDER ANY NEGOTIATED ARRANGEMENT ARE MAINTENANCE OF  
TRANSPORT EQUIPMENT, WASTE DISPOSAL SYSTEMS, FACILITIES  
MANAGEMENT, AND GENERAL MAINTENANCE OF PLANT AND EQUIP-  
MENT. THE U.S. FIRM, OR FIRMS. WILL BE EXPECTED TO  
ESTABLISH SCHEDULES AND PREPARE TRAINING SPORTS PROGRAMS,  
PHYSICAL TRANING, PORT OPERATION, PORT CLEARING AND  
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MANPOWER REQUIREMENTS.

3. THE SAUDI FIRM IS PREPARED TO STUDY OFFERS FROM A  
CONSORTIUM OF U.S. FIRMS IN THESE FIELDS. INTERESTED  
U.S. FIRMS SHOULD CONTACT MR. REA DIRECTLY. THE OLAYAN  
GROUP INCLUDES THE GENERAL TRANSPORTATION ENTERPRISES,  
ALSO ESTABLISHED IN KUWAIT, THE GENERAL TRADING COMPANY

OF AL KHOBAR WHICH HAD SALES OF \$25 MILLION IN 1976,  
AND THE GENERAL CONTRACTING COMPANY WITH SALES OF \$70  
MILLION IN 1976. THE LETTER HAS ROAD MAINTENANCE CON-  
TRACTS AND IS FORMING AN ELECTRICAL CONTRACTING DIVI-  
SION WITH LORD INTERNATIONAL INC., AN AMERICAN FIRM.  
THE GROUP HAD SALES OF \$125 MILLION IN 1976 AND IS  
EXPANDING CONTRACTING ACTIVITIES RAPIDLY, IT IS  
POSSIBLY THE THIRD LARGEST FIRM IN SAUDI ARABIA AND  
HAS AN INTERNATIONAL CHARACTER BASED ON FOREIGN  
HOLDINGS, PARTNERSHIPS AND JOINT VENTURES, AMONG ITS  
TRADE REFERENCES ARE KINBERLY CLARK, INTERNATIONAL  
HARVESTER, GENERAL FOODS CORP., ATLAS COPCO.  
CUMMINS DIESEL, AND OTHERS.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** MANAGEMENT, JOINT VENTURES, BUSINESS FIRMS  
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**Disposition Case Number:** n/a  
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**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
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**Office:** ACTION NEA  
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**Original Previous Classification:** n/a  
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**Review Transfer Date:**  
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**Subject:** MAJOR SAUDI FIRM SEEKS JOINT VENTURE OR SPONSORSHIP OF U.S. MANAGEMENT CONSULTING ENGINEERS  
**TAGS:** EINV, BTIO, SA, US  
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**Review Markings:**  
Margaret P. Grafeld  
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